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NOTE BY THE SECRETARY-GENERAL

The Secretary-General has the honour to transmit to the members of the Security Council the attached letter dated 7 October 1996, which he has received from the Director General of the International Atomic Energy Agency (IAEA).

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Annex

Letter dated 7 October 1996 from the Director General of the International Atomic Energy Agency to the Secretary-General

In paragraph 8 of its resolution 715 (1991) of 11 October 1991, the Security Council requested the Director General of the International Atomic Energy Agency to submit to the Council reports on the implementation of the Agency's plan for future ongoing monitoring and verification of Iraq's compliance with paragraph 12 of resolution 687 (1991). Those reports were to be submitted when requested by the Security Council and, in any event, at least every six months after the adoption of resolution 715 (1991).

In paragraph 16 of its resolution 1051 (1996) of 27 March 1996, the Security Council called for the consolidation of the periodic requirements for progress reports under resolution 699 (1991), 715 (1991) and 1051 (1996), and requested the Director General to submit such consolidated reports every six months to the Council commencing on 11 April 1996.

Accordingly, I am requesting you kindly to transmit to the President of the Security Council the enclosed second such consolidated semi-annual report under paragraph 16 of resolution 1051 (1996). I remain available for any consultations you or the Council may wish to have.

(Signed) Hans BLIX
Director General

Appendix

Second consolidated report of the Director General of the International Atomic Energy Agency under paragraph 16 of resolution 1051 (1996)

I. INTRODUCTION

1. In paragraph 16 of resolution 1051, adopted on 27 March 1996, the Security Council called for the consolidation of the periodic requirements for progress reports under resolution 699 (1991) and 1051 (1996), and requested the Director General of the IAEA to submit such consolidated reports every six months to the Council, commencing on 11 April 1996[1].

2. The Director General submits herewith the second such consolidated report under paragraph 16 of resolution 1051 (1996).

II. INSPECTION ACTIVITIES

A. IAEA-30 INSPECTION MISSION

3. As described in the previous report (document S/1996/261), a radical revision of the Full, Final, and Complete Declaration (FFCD) of the Iraqi covert nuclear programme was requested in September 1995 in the course of the twenty-eighth inspection mission to Iraq. In response, a six-volume document totalling some 1019 pages was provided by Iraq on 1 March 1996 in draft form. The IAEA's Action Team, with the assistance of experts from Member States, undertook the assessment of the draft revised FFCD as a high priority task.

4. By early May 1996, a first detailed analysis of the content of the Iraqi draft FFCD had been completed. The document was found to provide an acceptable basis to start discussions with the Iraqi counterpart in order to arrive at a satisfactory final version.

5. An "ad hoc" mission (IAEA-30) was organised to clarify ambiguities, inconsistencies and contradictions in the draft FFCD and to request additional information which in the IAEA's judgement were needed in certain areas. The first stage of IAEA-30 was conducted from 13 to 19 May 1996 and

[1] The first consolidated report by the Director General of the IAEA was circulated on 11 April 1996 as document S/1996/261.

the second took place from 17 June to 8 July 1996. Based on the results achieved in a series of meetings with the counterpart, Iraq undertook to prepare a second draft of the FFCD which, apart from the volume related to EMIS technology, was provided to the IAEA on 21 June 1996. Meetings and discussions on the content of the second draft continued between the Nuclear Monitoring Group (NMG) and Iraqi authorities throughout July and August 1996. On 7 September 1996, the NMG in Baghdad received the electronic copy of what the Iraqi counterpart declared was the final version of their FFCD.

6. As soon as the electronic copy of the FFCD final version was received in the IAEA's headquarters in Vienna (17 September 1996), the Action Team undertook the preparation of an adequate number of copies to facilitate the assessment of the completeness and correctness of the document by the panel of experts who have taken part in reviewing previous drafts of FFCD. As it stands now, the document, together with Annexes on procurement and equipment status, has been expanded to some 1400 pages and its evaluation will require several months to complete.

B. ONGOING MONITORING AND VERIFICATION

7. In the period under review (1 April 1996 - 1 October 1996), the Baghdad-based IAEA Nuclear Monitoring Group has conducted 171 monitoring inspections, twenty of which were carried out at sites which had not been previously inspected. This brings the total number of OMV inspections since the start of OMV implementation in August 1994 to over 600. The majority of these inspections were carried out with no prior announcement and a number of them were conducted in co-operation with other monitoring groups of the Special Commission. No indication of prohibited equipment, materials, or activities was detected.

8. Since July 1995, and within the frame of their OMV activities, the IAEA and the Special Commission have started to implement a joint programme of inspection of Iraqi sites that in the judgement of IAEA/UNSCOM are deemed to have capabilities suitable for conducting work on some aspect of weapons of mass destruction, despite the lack of evidence or indication of such work. The carrying out of joint IAEA-UNSCOM multi-disciplinary inspections at "capable" sites on a regular basis will contribute to the

effectiveness of the OMV Plans to detect any attempt by Iraq to conduct activities proscribed by Security Council resolutions. To date, eight such inspections at "capable" sites - co-ordinated by the IAEA - have been conducted by joint IAEA-UNSCOM teams. On 7 July 1996, the fifth such multi-disciplinary inspection of a "capable" site met with some difficulties in gaining immediate access to the site. The facility to be inspected was a factory building located inside an army camp. On arrival at the entrance gate, the joint IAEA/UNSCOM team was advised that the facility was an installation of the Special Guards and as such was considered to be a sensitive site. Hence, the UNSCOM "modalities for inspection of sensitive sites" were to be applied. The team was kept at the gate for approximately two hours waiting for the arrival from Baghdad of a high-ranking Iraqi officer, before being granted access and allowed to proceed with the inspection. No indication of prohibited equipment, materials, or activities was detected.

9. The Nuclear Monitoring Group (NMG) has continued its ongoing programme of interviews of key personnel in the former Iraqi Nuclear Weapons Programme (NWP). These interviews permit the IAEA to clarify points regarding the former NWP and to verify the current assignment of key personnel.

10. The seventh periodic radiometric survey of Iraq's main water bodies was conducted from 20 to 27 April 1996. Samples of water, sediments, and biota were collected at 15 sites selected at random from the more than 50 locations for which baseline data had been established in the original survey completed in November 1992.

C. PROCUREMENT MATTERS

11. The finding in Amman, Jordan of a CNC filament-winding machine the procurement of which was initiated by Iraq in mid-1990 for the production of carbon-fibre cylinders for uranium enrichment gas centrifuges, was described in the previous report (document S/1996/261).

12. With the assistance of the government of Jordan, further progress was made in clarifying the type and quantities of materials and equipment procured in Western countries on behalf of the Iraqi uranium centrifuge

enrichment project. A Singapore based private company then re-routed each consignment to another private company in Amman, Jordan, from where the final shipment to Iraq had been planned.

13. This transshipment scheme through Singapore and Jordan was apparently set in place in the period immediately following the imposition of economic sanctions on Iraq by Security Council resolution 661 of 6 August 1990. The Iraqi counterpart has provided details on this operation to the IAEA and has specified that they received through these arrangements only two consignments (vibration measuring and monitoring equipment) prior to March 1991. The Iraqi authorities indicated that shipments from Singapore to Amman continued during 1991 and one of them concerned the above mentioned filament-winding machine. They also stated that they instructed the Jordanian company to store these consignments in Amman. The information provided by Iraq to the IAEA included the number of consignments, indication of content, and details on the costs of the transactions. They further stated that to the best of their knowledge the consignments in question were still in Amman in late 1994 and beginning of 1995. Around that time, they instructed the Jordanian company to dispose of the material and equipment by selling or scrapping.

14. The information provided by Iraq was shared with the Jordanian authorities and lead to the impounding on 1 September 1996 of a large variety of equipment and materials, stored in their original shipping crates in a warehouse in Amman, related to gas-centrifuge manufacturing and centrifuge cascade technology. Shipment lists and procurement correspondence was also found which confirmed the origin of the goods and the transshipment arrangements through Singapore and Jordan.

15. A team of IAEA experts went to Jordan in early September and prepared a detailed inventory of all materials and equipment seized by the Jordanian authorities. Follow-up actions are being undertaken with the assistance of concerned governments to verify the completeness of the findings.

D. EXPLOITATION OF THE DOCUMENTATION CACHE

16. In the period under review, progress has been made in the analysis of documents handed over by the Iraqi counterpart after the departure to

Jordan of the late Lt. General Hussein Kamel Hassan Al Majid. These documents included some fifty thousand 35 mm microfilm aperture cards and approximately 9 km of microfilm rolls (35 mm and 16 mm) containing an estimated 600,000 frames.

17. With the assistance of experts in various disciplines provided by Member States, a review of the 30,000 aperture cards was completed in August 1996. An earlier review by the IAEA's Action Team had revealed that the content of the aperture cards consisted of technical charts, drawings, graphs and tables with no text except in the card legend. The analysis of this material lead to the following conclusions:

- The content of the aperture card file appears to add little to the knowledge so far developed of the past Iraqi covert programme.
- The large number and professional quality of the drawings found in the aperture card file are inconsistent with the Iraqi statements that the programme had produced neither a full set of drawings of all weapon components nor drawings integrating the assembled weapon and its missile delivery system.
- A small number of drawings related to weapon components was found, but none of these drawings concerned the weapon assembly, the nuclear charge (pit), or the implosion package components.

18. In parallel to the aperture card review, a set of 49 rolls of microfilm containing approximatel, 75,000 frames was screened by the IAEA's Action Team. Most of these rolls (in either 16 mm or 35 mm format) were handed over to the NMG in February and July 1996. The number of frames reviewed represents about 10% of the estimated amount of documents in microfilm in possession of the Action Team.

19. While the review of this documentation adds little to the current Action Team understanding of the past Iraqi covert nuclear programme, some elements of interest emerged which can be summarised as follows:

- The English documents contained in the microfilm deal with routine business transactions for ordinary construction engineering projects. The same holds true for most of the Arabic documents reviewed;

- The procurement related documents may be useful to complete the list of pre-Gulf war Iraqi suppliers, although the majority of them relate to non-sensitive areas;

- These microfilms were characterised by intermixed English and Arabic documents in no apparent order, 35 mm reels with no frame numbers (making location of specific documents very difficult), documents and drawings relating to a specific project separated by documents and drawings from totally unrelated projects, and documents and drawings filmed out of sequence. The state of these microfilms is not inconsistent with Iraqi statements regarding the disorganized and haphazard wartime microfilming effort at the Al Hayrat building (one of the Baghdad offices of PC-3).

- Most of the microfilms had to be rewound in order to review them, indicating the microfilms had been reviewed at least once before being delivered to the IAEA.

E. INFORMATION MANAGEMENT

20. The Action Team's computerized information systems have been upgraded to increase the Team's analytical capabilities and to facilitate monitoring and verification activities in the field. This upgrading includes:

- An improved user interface;

- Facilities which allow the retrieval of computerized images of site plans, buildings, and equipment;

- Search and retrieval systems for newly provided Iraqi documents;

- A system for tracking the inspection teams' actual movements within Iraq; and

- A planning and follow-up information module.

21. The information data bases have been expanded to cover all of Iraq's declarations and information regarding relevant sites, activities, materials, and equipment. The total data stored is equivalent to approximately eighty thousand pages of text. All this information is easily accessible by computerized search and retrieval.

F. PROVISION OF INFORMATION BY IRAQ UNDER THE OMV PLAN

22. Under the provision of paragraph 22 and Annex 2 of the IAEA's OMV Plan Iraq is providing twice a year - in January and July - declarations on the current use of facilities, installations, and sites formerly involved in their covert nuclear programme and on changes during the previous six months regarding the inventory and the location of materials, equipment, and radioisotopes identified in the Annex 3 and 4 of the Plan.

23. In June 1996, the NMG agreed with the Iraqi Nuclear Monitoring Directorate (NMD) on a number of improvements and amendments needed to complete prior OMV-related declarations, to account for the new information received on the past Iraqi nuclear programme, following the departure to Jordan of the late Lt. Gen. Hussein Kamel in August 1995.

24. The review by the Action Team of the July 1996 declaration has shown that many of the agreed improvements and amendments have been added, but that further efforts by NMD are required to achieve the correctness, completeness of information, and a satisfactory reporting standard. Detailed discussions were therefore undertaken in September 1996 with the NMD to explain what was still missing. Assurance was given that remaining shortcomings will be dealt with in time for the January 1997 reports.

G. RELEASE, RELOCATION AND CHANGE OF THE USE OF EQUIPMENT MATERIAL AND FACILITIES

25. In the period under review, the NMD has submitted 17 requests to the IAEA concerning the release/relocation of equipment and materials or change of use of monitored buildings. All requests were processed in consultation with the Special Commission and eleven were approved. The remaining six are still pending. Items for which release, relocation or change of use is approved remain subject to ongoing monitoring and verification at a frequency commensurate with their significance.

III. HIGH-LEVEL TECHNICAL TALKS

26. On 7 June 1996, General Amer Rashid Al Ubaydi met the Director General at the IAEA headquarters in Vienna to discuss current issues which were of concern to the Iraqi government. He referred in particular to the time consuming process undertaken by the IAEA to verify the correctness and

completeness of the FFCD which involved analyses of "less significant details". Gen. Amer touched on the monitoring of the present assignments of former key staff involved in the nuclear covert programme. He also added that the IAEA's opinion that Iraq still retained a complete record of the nuclear programme was "totally wrong". In addressing those comments, the Director General noted that the IAEA Secretariat was well focussed on matters of significance, and was using its best efforts to reach a conclusion as soon as feasible. It should be understood, however, that the events of August 1995 and the revelation of the "crash programme" had prompted further inquiries. Technical expertise still existed in Iraq even if the facilities and equipment had been neutralised and this made ongoing monitoring inevitable. As part of the monitoring process, the Director General stated that it was important to the IAEA to verify current activities of people previously involved in the nuclear programme.

27. From 24 to 29 June 1996, the leader of the IAEA Action Team was in Baghdad and had separate meetings with the Iraqi Deputy Prime Minister, Tariq Aziz, the Iraqi Minister of Oil, Gen. Amer Rashid Al Ubaydi and Dr. Jafar Dhia Jafar, the minister formerly responsible for PC-3. Progress made since the last round of high-level technical talks (August 1995) was reviewed. Problems linked to the verification of the correctness and completeness of the FFCD and to the monitoring of personnel current assignments were discussed and assurance was given of the Iraqi Government's intention to facilitate the task of the Action Team in every possible way.

IV. SUMMARY

28. The IAEA continues with the rigorous implementation of its plan for the monitoring and verification of Iraq's compliance with the relevant Security Council resolutions through the resident inspectors of the Nuclear Monitoring Group with the assistance of, and in full co-ordination with, the Special Commission. As underlined in previous reports to the Council, the implementation of the OMV Plan does not foreclose the exercise by the IAEA of its right to investigate further any aspects of the Iraq's former nuclear weapons programme, in particular as regards any further information that Iraq may still be withholding from the IAEA. The Iraqi counterpart has continued to co-operate with the IAEA in a productive way. During the period under review the Nuclear Monitoring Group conducted 171 inspections

at some 73 facilities, 20 of which were not previously inspected. In the period since the last report to the Council, the IAEA has not seen instances of activities, or the presence, in Iraq, of equipment or materials proscribed by those resolutions.

29. All quantities of special nuclear material (highly enriched uranium or plutonium) found in Iraq have been removed, and the industrial infrastructure which Iraq had set up to produce and weaponize special nuclear material has been destroyed. The IAEA is conscious, however, that the know-how and expertise acquired by Iraqi scientists and engineers could provide an adequate base for re-constituting a nuclear weapons oriented programme. A continuing high level of vigilance is therefore necessary.

30. On 7 September 1996, Iraq submitted what it declared was the final version of the "Full, Final, and Complete Declaration" called for in Security Council resolution 707 (1991). The IAEA is undertaking an in-depth appraisal of this document aiming at assessing its correctness and completeness and focussing, in particular, on those areas where, in the opinion of IAEA, Iraq's achievements may have been understated. It can be expected that the assessment of the FFCD will require several months to complete.

31. The original Iraqi documentation concerning the past nuclear programme continues to be examined and further additions have been made in the period under review as the counterpart has realised that the correctness and completeness of their statements must rest on original project documents.

32. In discharging the tasks assigned to it, the IAEA continues to benefit from the strong support of the Council and from the assistance of Member States through the secondment of cost-free experts, the access to advanced technologies, and the provision of information and technical advice.